

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GALLERIA 2425 OWNER, LLC,

Debtor.

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Chapter 11

Case No. 23-34815

**TRUSTEE’S RESPONSE AND LIMITED OBJECTION TO SONDER USA INC.’S
MOTION TO MODIFY THE STAY TO ALLOW LIQUIDATION OF CLAIM**

Christopher R. Murray, the chapter 11 trustee (the “Trustee”) in the above-captioned case, hereby responds to Sonder USA Inc.’s Motion to Modify the Stay to Allow Liquidation of Claim [ECF No. 115] (the “Sonder Lift Stay Motion”)¹ as follows:

RESPONSE AND LIMITED OBJECTION

1. Sonder USA, Inc. (“Sonder USA”) seeks relief from the automatic stay to continue arbitration to allow Sonder to liquidate its claims against the Debtor in the arbitration to the extent the Trustee intends to appear at the arbitration.

2. On May 15, 2024, the Court entered an order [ECF No. 337] (the “Sonder Claims Sale Order”) authorizing the Trustee to sell the estate’s claims (the “Sonder Claims”) against Sonder USA and its affiliate Sonder Canada Inc. (collectively, “Sonder”). The pending Sonder Lift Stay Motion were among the benefits of a sale of the Sonder Claims. In a sale to Sonder, these claims would be resolved. In a sale to another party, that party would need to oppose Sonder’s claim to recover against Sonder.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms as in the Sonder Stay Motion.

3. Sonder has filed a notice of appeal of the Sonder Claims Sale Order [ECF No. 387] and filed an emergency motion for an order imposing a limited stay pending appeal [ECF No. 381] (the “Sonder Stay Pending Appeal Motion”). In essence, the Sonder Stay Pending Appeal Motion seeks a stay of the Designated Purchaser (as defined in the Sonder Claims Sale Order) from pursuing the Sonder Claims pending the appeal. The Court entered an order [ECF No. 385] setting a hearing on the Sonder Stay Pending Appeal Motion for June 4, 2024.

4. The logic behind the Sonder Lift Stay Motion cuts against modifying the automatic stay to allow Sonder USA to liquidate its claims against the Debtor in the arbitration if the claims against Sonder are stayed. Sonder USA argues there is cause to modify the automatic stay to allow both the claims against Sonder USA and the Debtor to be liquidated in a single arbitration. But that cause is not present if the claims against Sonder are subject to a stay pending appeal. Either both sets of claims should go forward in the arbitration or both sets of claims should be stayed.

5. To the extent that the Court does not stay or otherwise prevent the Sonder Claims from being pursued by the Designated Purchaser or an Alternative Purchaser (as defined in the Sonder Claims Sale Order) the Trustee does not oppose the modification of the automatic stay sought by the Sonder Lift Stay Motion.

DISPUTED FACTS AND LAW

Pursuant to Local Bankruptcy Rule 4001-1(a)(10), for purposes of the contested matter initiated by the Sonder Lift Stay Motion only, the Trustee does not dispute any issues of law or fact except as set forth in the Response section above.

For the avoidance of doubt, the Trustee may dispute such issues in any other contested matter. The Trustee does not dispute that cause for relief from stay exists if, but only if, the claims against Sonder are not stayed by an order of this Court, as contemplated by the Sonder Lift Stay

Motion. Any other disputes about the facts and law are immaterial to the Trustee's limited objection to the Sonder Lift Stay Motion.

EFFORTS TO REACH AGREEMENT

The Trustee and Sonder USA have reset the Sonder Lift Stay Motion several times. Given the timing of the Sonder Stay Pending Appeal Motion, the Trustee has not had the opportunity to seek agreement on the particular limited issues set forth in this response and limited objection.

Dated: May 29, 2024

Respectfully submitted,

SHANNON & LEE LLP

/s/R. J. Shannon

Kyung S. Lee (TBA No. 12128400)

R. J. Shannon (TBA No. 24108062)

2100 Travis Street, STE 1525

Houston, TX 77002

Telephone: (713) 714-5770

Email: klee@shannonleellp.com

rshannon@shannonleellp.com

*Counsel to Christopher R. Murray, Chapter 11
Trustee*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on all parties registered to receive such service on the date of filing.

/s/R. J. Shannon